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Savvy Wealth founder Ritik Malhotra (left) and Vasmi Yadlapati

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Vamsi Yadlapati Joins Savvy Wealth's Board of Advisors

For 13 years beforehand, Yadlapati worked for Focus Financial Partners, most recently as managing director and co-head of M&A.

Rob Burgess | May 23, 2023

Vamsi Yadlapati joined the venture capital-backed, New York–based RIA Savvy Wealth's board of advisors on Tuesday.

For 13 years beforehand, Yadlapati worked for Focus Financial Partners, most recently as managing director and co-head of M&A.

"In this capacity, his experience included strategy development, international expansion, consulting and growth services for the wealth management firms that were acquired," stated Savvy Wealth in a release.

Yadlapati told Wealthmanagement.com he left Focus Financial Partners for "personal reasons."

"I had two young children and I began missing too many moments with my travel from my leadership role of the M&A team," said Yadlapati. "Since the expiration of my non-compete, I have been fortunate to be able to find the

right balance of being able to prioritize my time home with my family while simultaneously remaining active in the wealth space."

Yadlapati sits on several boards of leading wealth management firms, including Cetera and Pathstone, as well as serving as a consultant and advisor to many of the largest RIA transactions.

"The boards I sit on span the broader wealth management industry and include the retirement, independent broker/dealer, fintech, ultra-high-net worth and the mass affluent segments. I'm very careful to select boards that are not in conflict with one another," said Yadlapati. "I see Savvy as a technology innovator to the industry, which I believe could ultimately benefit the firms I work with. At the end of the day, my ultimate aim and what I thrive on, is to add value to extraordinary leaders in order to create market-leading firms in the wealth space. I've never had as much fun in my career as I do today, particularly given the new balance in prioritizing my time with my children."

Savvy Wealth was founded in July 2021 by tech entrepreneur Ritik Malhotra with the idea to create a digital-first platform for financial advisors centered around modernizing human financial advice. So far, the firm has brought on five advisors, joining from BNY Mellon, Merrill Lynch and Morgan Stanley, as well as independent RIAs.

In November 2022, Savvy Wealth raised $11 million in a Series A-1 funding round led by Berkeley, Calif.–based venture capital firm The House Fund. Venture capital firms Index Ventures and Thrive Capital, which participated in Savvy's seed round, also invested in this round, as did Brewer Lane Ventures, a new investor, bringing the RIA's total funding to $18 million.

"We're thrilled to add a veteran leader and innovator like Vamsi who shares our passion for Savvy's mission," stated Malhotra. "His appointment to our board of advisors opens up exciting possibilities for us to introduce pioneering solutions to financial advisors seeking a new home and to empower them to deliver a top-notch client experience."

Yadlapati said he had built a strong relationship with Malhotra over the past year as he "continued to be very impressed with the unique platform his team was building."

"What started with a casual advisory role ultimately became a more formal role that allows me to work with more members of the leadership team to help inform direction and strategy as it pertains to recruiting advisors, further building their technology product, and creating organic growth programs," said Yadlapati.

Ultimately, Yadlapati said in his new role he hoped to help create the "platform of choice for advisors."

"If we are able to better serve advisors, who in turn will better serve their clients, I have no doubt Savvy will become a multi-billion dollar firm," said Yadlapati.

Yadlapati said contrary to "what many predicted to be a slowdown in investment into the RIA space with the recent market correction and the rising cost of debt, the opposite has occurred."

"I have never seen more demand by private equity to either enter or invest further into the space. Given the significant competition now present in the industry, I believe those who differentiate themselves with a unique strategy will take a disproportionate market share. Specifically with the great wealth transfer being handed down to younger generations, those generations desire their advisors to be tech-forward and personalized, allowing Savvy to be at the center of this wealth transfer," said Yadlapati.

In April, Savvy Wealth rolled out a new direct indexing tool that allows its advisors to create more customized portfolios in a separately managed account structure. About 10% to 15% of the RIA's billable assets are now on the direct indexing platform.

"Savvy is ahead of the curve to empower its advisors to offer more customized solutions, which is where the industry is heading," said Yadlapati. "High-net-worth investors don't want 'off-the-shelf' solutions, they want offerings that are personalized to their unique needs and values while creating real alpha from tax savings. The new direct indexing tool achieves this objective. Only a few firms in the industry are creating this type of value for their clients today."

Wally Okby, strategic advisor for wealth management for the Aite-Novarica Group, said direct indexing was "poised for growth, and the opportunity is closer than many in the industry believe."

"However, the immediate indexing marketplace is not always well understood, and definitions vary. While direct indexing has been around for decades targeting and benefiting affluent clients, technology advancements, such as digitalization and fractional share trading, enable this solution to expand, scale and move down-market to support a broad array of clients and investment," said Okby. "For the moment, few firms, except the top direct indexing providers, have all the capabilities in place to operate efficiently and at scale. As the direct indexing market continues to grow, so will the competitive pressure to offer solutions developed in-house or via a third party."

Reporter Ali Hibbs contributed to this story.